

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ Arb. P. No. 457 of 2006

% Date of decision: 04.05.2007

LORD KRISHNA BANK LIMITED ...PETITIONER

Through: Mr. R.M. Sinha, Advocate.

Versus

I.F.C.I LIMITED ...RESPONDENT

Through: Mr. Atul Sharma with
Mr. Saurabh Chauhan, Advocates.

CORAM:

HON'BLE MR. JUSTICE SANJAY KISHAN KAUL

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| 1. Whether the Reporters of local papers
may be allowed to see the judgment? | No |
| 2. To be referred to Reporter or not? | No |
| 3. Whether the judgment should be
reported in the Digest? | No |

SANJAY KISHAN KAUL, J. (Oral)

1. The petitioner has filed the present petition seeking appointment of an arbitrator to enter upon reference and adjudicate the disputes between the parties. The parties had entered into a Lease Agreement dated 2.1.2003, which contained an arbitration clause No.30 in the following terms:

“30. In case of any dispute arising of this agreement, the LESSOR and the LESSEE shall make efforts to settle the dispute first through conciliation and if such

conciliation fails, the dispute shall be referred to a sole Arbitrator to be appointed by mutual consent of the duly authorised personnel of the LESSOR/LESSEE Companies – authorisation being obtained by way of a resolution of their respect Boards of Directors at its meeting.”

2. Along with the Lease Agreement there is a Co-terminus Agreement of the same date.
3. It is not in issue that disputes arose between the parties. Learned counsel for the respondent submits that the petitioner has really no claim and that the Maintenance Agreement does not contain an arbitration clause.
4. In my considered view, whether the petitioner has a bad claim or a good claim would be decided by the arbitrator and both the Lease Agreement and the Maintenance Agreement would have to be read together especially in view of clause 5.5 contained in the Maintenance Agreement, which reads as under:

“5.5. This Agreement is co-terminus with the Lease Agreement dated the 2nd January 2003 for the Premises and renewable on the same terms and conditions as for Lease Agreement.”

5. In view of the aforesaid there cannot be really any serious objection to the reference of the disputes between the parties to arbitration.
6. At this stage learned counsels for the parties state that a retired Additional District Judge may be appointed as an arbitrator.

7. It is agreed that Mr. G.P. Thareja, Additional District Judge (Retd.) be appointed as the sole arbitrator to enter upon reference and adjudicate the disputes between the parties.
8. The sitting fee of the arbitrator would be fixed by the arbitrator, subject to a maximum total fee of Rs.80,000/- apart from out of pocket expenses to be shared equally by both the parties.
9. The petition stands disposed of.

MAY 04, 2007
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SANJAY KISHAN KAUL, J.